IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O.O.C.J.
MISCELLANEOUS PETITION NO. 70 OF 1997

Maharashtra State Financial Corporation
.....Petitioner
vs.
Jeevanodhar Chamakar Sahakari Utpadak Sanstha Ltd and Ors.
.....Respondents

M.P. Rege for the petitioner.

None for the respondents

CORAM: S.U. KAMDAR, J.

DATE : 2ND MAY, 2005.

P.C. :

1. The present petition is filed by the Maharashtra State Financial Corporation under section 31(1) of the State Financial Corporation Act. In nutshell the facts are as under :

2 There was a society constituted known

as Jeevanodhar Chamakar Sahakari Utpadhan Santha Ltd. The said society which is registered under the Maharashtra Co-operative Society's Act, 1960 is propounded on behalf of various cobblers and the society was framed for the purpose of benefit of the said cobbler. The said society has been formed by 500 cobblers.

3. The society approached the petitioner for financial assistance to its members who are cobbler members and accordingly the petitioner advanced and disbursed an amount of Rs.25,000/- each to each of the cobbler members totalling to around Rs.1,25,00,000/-. Inrespect of the said amount lent and advanced to each of the cobbler of the society the society as well as various other respondents in the present petition have executed three deed of guarantees, all dated 30.10.1992 guaranteeing the repayment of the said amount. in an event of any default in repayment of the principal debtor.

4. It has been revealed subsequently that the whole disbursement of the loan was a scam and no money ever reduced to the members of the cobbler society and ultimately the petitioner corporation is made to suffer for an amount of Rs.1,25,00,000/-. No amount was repaid by any of the cobbler members who were the members of the first respondent society. In the aforesaid circumstances the present petition is filed by the petitioner invoking guarantees of the respondent. The respondents are served. Affidavit of service dated 25.4.2004 is taken on record. The petitioner has also filed an affidavit dated 2.5.2005 inter-alia giving details of each one of the individual borrower and the amount due and payable by the said individual borrower. The said affidavit is taken on record. It is the case of the petitioner that out of the said amount of loan advanced of Rs.1,25,00,000/-. As per the affidavit dated 2.5.2005 the amount outstanding is Rs.6,08,606.00/-. None appears for the respondent. In view thereof the present petition

is made absolute and respondents are directed to make repayment of Rs.6,08,660/- with interest at the rate of 19.05% from 1.7.1997 to 11.7.1997 which is the date of the filing of the petition and for a subsequent period the rate of interest will be at the rate of 18% p.a. from the date of the filing of the petition till the date of payment and or realisation.

sd/-

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